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By: **Delegate Burns**

Introduced and read first time: February 9, 2004

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Procurement - Contractor's Designation of Specific Subcontractor in Bid or**  
3                                   **Proposal**

4 FOR the purpose of requiring a contractor that is awarded a procurement contract to  
5 use the services of any subcontractor that the contractor designates in the bid or  
6 proposal; providing certain exceptions; defining a certain term; and generally  
7 relating to a contractor's use of certain subcontractors in certain procurement  
8 contracts under certain circumstances.

9 BY adding to  
10 Article - State Finance and Procurement  
11 Section 13-227  
12 Annotated Code of Maryland  
13 (2001 Replacement Volume and 2003 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16                                   **Article - State Finance and Procurement**

17 13-227.

18 (A) IN THIS SECTION, "GOOD CAUSE" INCLUDES THE INABILITY OF A  
19 SUBCONTRACTOR TO PERFORM WORK FOR A CONTRACTOR UNDER A PROCUREMENT  
20 CONTRACT BECAUSE THE SUBCONTRACTOR:

21                   (1) CEASES TO DO BUSINESS;

22                   (2) LACKS THE TECHNICAL EXPERTISE OR FINANCIAL CAPABILITY TO  
23 DO THE WORK REQUIRED BY THE CONTRACTOR TO COMPLETE THE PROCUREMENT  
24 CONTRACT;

25                   (3) LACKS A LICENSE TO DO THE WORK THAT IS REQUIRED UNDER THE  
26 PROCUREMENT CONTRACT; OR

1           (4)       LOSES ITS LICENSE TO DO WORK IN THE STATE BECAUSE ITS  
2 LICENSE IS SUSPENDED OR REVOKED.

3       (B)       IF A CONTRACTOR THAT IS AWARDED A PROCUREMENT CONTRACT UNDER  
4 THIS TITLE SPECIFIES IN THE BID OR PROPOSAL THAT THE CONTRACTOR WILL USE  
5 THE SERVICES OF A PARTICULAR SUBCONTRACTOR FOR THE PROCUREMENT  
6 CONTRACT, THE CONTRACTOR SHALL USE THAT SUBCONTRACTOR FOR THAT  
7 PROCUREMENT CONTRACT EXCEPT FOR GOOD CAUSE.

8       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2004.